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CONTACT REPORT

[] with UTILITY & @Holm
16 September 1966, 1000 Hours
UTILITY's Office

32W-2-29/1 [] & UTILITY, @Holm 16 Sept 66

1. Before we got to the meeting, which was [] first official business one with UTILITY, we accidentally ran into alias Degenhardt. He gave us a few groups on the resignation of Minister Westrick. This was in response to a query by [] On going upstairs to talk with UTILITY, we got into a further discussion of Westrick. UTILITY reported what Westrick had told him a few days ago, namely, that he was tired of being attacked when he really wasn't the target. All of this is combined in a teletape information report EGO-157.

2. There was some waffling around about the possible successor to Westrick. The names of Karl Hohmann and Secretary Gumble came up. UTILITY said that there was a feeling in the parliament that Hohmann was probably coming up the ladder too fast. Furthermore, for a job like that, he was possibly not suited as being an official rather than a political person.

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3. We got into a discussion of UTILITY's views on staff organization. One of his interesting comments in front of alias Holm was that he really didn't think an awful lot of the Deputy system, but preferred the Chief of Staff system. Holm is a little bit of both, actually, although he is designated Chief of Staff. UTILITY spoke of the impossible situation which might arise if a deputy were appointed to a job by the political powers and the Chief and the Deputy didn't get along.

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4. The above subjects were not the opening topics of the conversation, however. The invitation by [] to UTILITY was. UTILITY reacted in an astonishing way, as I view it. I say astonishing because he has heretofore been dragging his feet and shoving the recent invitations to visit WOFAC under the rug. When this invitation was made, he almost acted as if it were a command performance. He seemed as if he were going to be very apologetic about not being able to come in September; having to push it off to October. When he found out the suggestion was November, he almost seemed relieved that he could carry out his orders, as it were, at a later date. He said he could not get off in October because of, I gather, the somewhat political unsettled situation. He said in a job such as his you had to be always scouting out ahead of the troops to see where the mine fields were. I gather that a lot of them are being laid by CATUSK un-friends.

801 Visits [] , [] & UTILITY, @Holm 16 Sept 66

5. Then we turned to the matter of the visit by [] and []. Very interestingly, UTILITY murmured something to alias Holm about the possibility of having the two gentlemen and their wives out to his home for tea. We should try to take advantage of this, and I should get off a reminder to the Chief of Station to strike a blow for us in this matter. (See EGMA-69362) Still outstanding is precise information about their arrival dates. This was requested in MUNICH-7203.

137-5-27 (VETNAM) [] , [] & UTILITY, 16 Sept 66
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6. In advance, we had tipped off UTILITY as to [] interest in getting advice from UTILITY about how the German Government could be convinced of the virtue of making clear to the German people our situation and role in Vietnam. UTILITY and Holm both explained to us that they had gone through this problem with alias Winterstein. They had come to the conclusion that chats or conferences or talks or pleas to anyone would not be the ticket. What needed to be done was to mount an operation in the German press. This should not appear to be WOFAC's but should appear to be CATUSK's. This line had been telegraphed a couple of days earlier in alias Winterstein's unexpected interest in Vietnam background material. This information was forwarded in teletape EGMA-69248.

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7. This led UTILITY into a discussion of a matter he has brought up with me previously. He thinks that there is a cultural penetration going on in Germany carried out by the Soviet Bloc. He spoke again of the Humanistic Union. This is an outfit which UTILITY avers has sucked in a lot of intelligent and well-meaning people with various reasonable mottos. But the effort is a softening of the German position vis-a-vis the East. This UTILITY sees as sinister and something against which we should guard ourselves.

8. In earlier days he said he had suggested in high government quarters that some sort of an effort should be made to fight this Eastern Bloc action. He said that there were various meetings and it was agreed that ministries and organs of the government which were to deal with this danger should submit plans. The committee met. CATUSK was the only one that had a plan ready. This led to further discussions which never got off the ground. UTILITY said, "finally I left the committee and let myself be represented by Holm." At this Holm laughingly blushed and said, "Oh I'm sorry, I forgot to report, I have left the committee and turned it over to (alias) Goslar." Goslar is the psychological situation man who works for alias Degenhardt.

9. UTILITY said that it was CATUSK's estimate that some two hundred to three hundred million West German marks were spent a year in a propaganda and cultural penetration program aimed at West Germany. He said this involved penetration of magazines, newspapers, etc. He did not back up this figure with any further data; however, as an estimate it might be useful in an information report. (See EGO-158) UTILITY said that this estimate of 200 to 300 million DM's did not include normal intelligence work.

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10. Alias Holm said that inside the German Government the appropriate organizations have got together on the emergency law and the procedures to be followed. It is all agreed that CATUSK will take over the CALLIKAK job. [] asked whether this had been written into the draft law. The reply was yes. The estimate is that the emergency law will be passed this year.

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11. Interestingly enough, UTILITY said that it might be useful for [] to mention in any contacts he has in Bonn how much the U.S. Government depends upon the CALLIKAK service for strategic intelligence. UTILITY was telling us in effect that there was a lot of brouhaha about the law, and the more Bonn people were convinced that Allies had a lot to gain from it, the easier the path would be.

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12. Alias Holm came up with an interesting comment near the close of our meeting. He asked whether we were aware--it seemed to be sort of a reminder--that questions involving intelligence outside Germany were the province of CATUSK and those involving matters inside Germany were the province of CAVATA. I immediately asked Holm whether something had gone adrift or whether there was any specific case in mind. He said that no, he just wanted to make the comment.

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13. UTILITY asked us whether we could look into the matter of []'s visa application. She is a girl in the CATUSK Translation Unit who hopes to go to the United States to work for a few months and visit her sister. Apparently, her visa is very slow in coming through and UTILITY thought it might be in connection with her using the CATUSK cover story, which might have become unbuttoned somewhere. This is a matter to be turned over to C/MOB. He can most easily see what the problem is. Miss [] was born 7.3.36 in Munich, and she has German citizenship, and her residence is []

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14. UTILITY said that []'s prison term was coming to an end and wondered whether we could look into the possibility of safehaven in the U.S. We said we certainly would look into that.

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15. In the course of the conversations, we were told that in connection with the [] (dprob: 17 October 1935, Frankfurt am Main), a German girl who was arrested in Tashkent, the Soviets had indicated that they would be interested in a swap for Felfe. UTILITY said that naturally they were not going to rise to this bait. On return to the office we found out that this had been surfaced to us through the CE channel and was reported to Headquarters in MUNICH-7173. UTILITY said that [] is "not ours." He said that he had not yet asked if she was ours.

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16. Referring back to his earlier comments about the psychological softening of Western Germany, UTILITY sent for a book which he said had been put out as part of CATUSK's efforts in the Psych field. It is called "East-West Confrontation in Question and Answer (Ost-West-Begegnung in Frage und Antwort)." The publisher is the Deutsche Arbeitsgruppe für West-Ost Beziehungen e.V., 8 Munich 13, Hapsburgerplatz 1/1. Copyright is 1966 by the Ilmgau Verlag Paffenhofen/Ilm. It is a bunch of questions and answers on the East-West politics. The foreword is signed by Dr. Nicolaus von Grote. CE should note the names and cover organizations used in this 299-page paperback book. There are a lot of questions; just to open the book at one page, the question is: What is the difference between the Bundestag and the Bundesrat? Another question is: What is the difference between parties in the East and West? The answer follows immediately. There are two for that question.

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17. At one point in the conversations, UTILITY made the comment that Special Intelligence cannot be given to the Foreign Office or the Chancellor's office because of security considerations. He did say it could be given, however, to the Ministry of Defense. This is the first time I've heard him say this, although it has been generally known to me. He did not say, however, that they hid some of their Special Intelligence in their regular material.

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